

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT
OF PROPOSED LOCAL GOVERNMENT FINANCING**

November 10, 2020

Joint Legislative Committee on Local
Government
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Assistant

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Director

North Carolina Local Government Commission
3200 Atlantic Avenue
Longleaf Building
Raleigh, North Carolina 27604
Attention: Secretary

***City of Kannapolis, North Carolina
Installment Financing Contract***

and

***City of Kannapolis, North Carolina
Water and Sewer Revenue Bonds***

Installment Financing Contract

In accordance with N.C. Gen. Stat. §120-157.2(a), the City of Kannapolis, North Carolina (the “City”) hereby notifies you of the City’s intent to enter into an installment contract under Section 160A-20 of the General Statutes of North Carolina (the “*Installment Financing*”), the proceeds of which will be used to finance the acquisition of a parking deck (the “*Project*”). To secure the City’s obligations under the Installment Financing, the City will execute and deliver a deed of trust and security agreement (the “*Deed of Trust*”) under which the City will grant a lien on and create a security interest on the Project.

The City expects that the Installment Financing will have a term of approximately 20 years and that the amount advanced to the City under the Installment Financing will be approximately \$14,700,000. The City may pay its obligations under the Installment Financing from any source of funds available to it in each year. The City’s obligation to make payments under the Installment Financing is a limited obligation of the City, subject to annual appropriation, and will not constitute a direct or indirect pledge of the faith and credit or the taxing power of the City. Depending on market conditions, the City may determine to finance the Project through the use of limited obligation bonds.

The City will request that the Local Government Commission of North Carolina (the “*Commission*”) consider for approval the City’s Installment Financing at the Commission’s meeting scheduled for January 5, 2021 or at such other meeting as the City and the Commission may determine.

Water and Sewer Revenue Bond


In accordance with N.C. Gen. Stat. §120-157.2(a), the City hereby notifies you of its intent to issue its Water and Sewer Revenue Bonds (the "*Bonds*") in a principal amount of approximately (1) \$11,700,000 to finance the costs of improving the City's water and sewer system and (2) \$20,365,000 to refinance certain of the City's outstanding water and sewer indebtedness. The City expects that the term of the Bonds will not exceed 20 years. The Bonds will be special obligations of the City secured by and payable from the revenues of the City's water and sewer system.

The City expects that the Commission will consider for approval the City's proposal to issue the Bonds to finance the proposed projects and refinance the outstanding water and sewer indebtedness at the Commission's meeting scheduled for January 5, 2021 or such later meeting as the City and the Commission may determine.

If you have any further questions please feel free to contact me at (704) 920-4306.

CITY OF KANNAPOLIS, NORTH CAROLINA

By:


Wendi Heglar
Finance Director